

103^D CONGRESS
1ST SESSION

H. R. 826

IN THE SENATE OF THE UNITED STATES

MAY 26 (legislative day, APRIL 19), 1993

Received; read twice and referred to the Committee on Governmental Affairs

AN ACT

To provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Government Perform-
5 ance and Results Act of 1993”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—The Congress finds that—

1 (1) waste and inefficiency in Federal programs
2 undermine the confidence of the American people in
3 the Federal Government and reduces the Federal
4 Government's ability to address adequately vital
5 public needs;

6 (2) Federal managers are seriously disadvan-
7 taged in their efforts to improve program efficiency
8 and effectiveness, because of insufficient articulation
9 of program goals and inadequate information on
10 program performance; and

11 (3) congressional policymaking, spending deci-
12 sions, and program oversight are seriously handi-
13 capped by insufficient attention to program perform-
14 ance and results.

15 (b) PURPOSES.—The purposes of this Act are to—

16 (1) improve the confidence of the American peo-
17 ple in the capability of the Federal Government, by
18 systematically holding Federal agencies accountable
19 for achieving program results;

20 (2) initiate program performance reform with a
21 series of pilot projects in setting program goals,
22 measuring program performance against those goals,
23 and reporting publicly on their progress;

1 (3) improve Federal program effectiveness and
2 public accountability by promoting a new focus on
3 results, service quality, and customer satisfaction;

4 (4) help Federal managers improve service de-
5 livery, by requiring that they plan for meeting pro-
6 gram objectives and by providing them with informa-
7 tion about program results and service quality;

8 (5) improve congressional decisionmaking by
9 providing more objective information on achieving
10 statutory objectives, and on the relative effectiveness
11 and efficiency of Federal programs and spending;
12 and

13 (6) improve internal management of the Fed-
14 eral Government.

15 **SEC. 3. STRATEGIC PLANNING.**

16 Chapter 3 of title 5, United States Code, is amended
17 by adding after section 305 the following new section:

18 **“§ 306. Strategic plans**

19 “(a) No later than September 30, 1997, the head of
20 each agency shall submit to the Director of the Office of
21 Management and Budget and the Congress a strategic
22 plan for program activities. Such plan shall contain—

23 “(1) a comprehensive mission statement cover-
24 ing the major functions and operations of the
25 agency;

1 “(2) general goals and objectives, including out-
2 come-related goals and objectives, for the major
3 functions and operations of the agency;

4 “(3) a description of how the general goals and
5 objectives contained in the strategic plan are to be
6 achieved, including a description of the operational
7 processes, skills and technology, and the human,
8 capital, information, and other resources required to
9 meet those goals and objectives;

10 “(4) a description of how the performance goals
11 included in the plan for the agency required by sec-
12 tion 1115(a) of title 31 shall be related to the gen-
13 eral goals and objectives contained in the strategic
14 plan;

15 “(5) an identification of those key factors exter-
16 nal to the agency and beyond its control that could
17 significantly affect the achievement of the general
18 goals and objectives contained in the strategic plan;
19 and

20 “(6) a description of the program evaluations
21 used in establishing or revising general goals and ob-
22 jectives contained in the strategic plan, with a sched-
23 ule for future program evaluations.

24 “(b) The strategic plan shall cover a period of not
25 less than five years forward from the fiscal year in which

1 it is submitted, and shall be updated and revised at least
2 every three years.

3 “(c) The performance plan required for an agency by
4 section 1115 of title 31 shall be consistent with the agen-
5 cy’s strategic plan. A performance plan may not be sub-
6 mitted for a fiscal year not covered by a current strategic
7 plan under this section.

8 “(d) When developing a strategic plan, an agency
9 shall consult with the Congress, and shall solicit and con-
10 sider the views and suggestions of those entities poten-
11 tially affected by or interested in such plan.

12 “(e) The functions and activities of this section shall
13 be considered to be inherently governmental functions.
14 The drafting of strategic plans under this section shall be
15 performed only by Federal employees.

16 “(f) For purposes of this section the term ‘agency’
17 means an Executive agency as that term is defined under
18 section 105, but does not include the Central Intelligence
19 Agency, the General Accounting Office, the Panama Canal
20 Commission, the United States Postal Service, and the
21 Postal Rate Commission.

22 “(g) For exemptions of agencies from the require-
23 ments of this section, see section 1117 of title 31, United
24 States Code.”.

1 **SEC. 4. ANNUAL PERFORMANCE PLANS AND REPORTS.**

2 (a) BUDGET CONTENTS AND SUBMISSION TO CON-
3 GRESS.—Section 1105(a) of title 31, United States Code,
4 is amended by adding at the end thereof the following new
5 paragraph:

6 “(29) beginning with fiscal year 1999, a Fed-
7 eral Government performance plan for the overall
8 budget as provided for under section 1115.”.

9 (b) PERFORMANCE PLANS AND REPORTS.—Chapter
10 11 of title 31, United States Code, is amended by adding
11 after section 1114 the following new sections:

12 **“§ 1115. Performance plans**

13 “(a) In carrying out the provisions of section
14 1105(a)(29), the Director of the Office of Management
15 and Budget shall require each agency to prepare and sub-
16 mit to the Director an annual performance plan covering
17 each program activity set forth in the budget of such agen-
18 cy. Such plan shall—

19 “(1) establish performance goals to define the
20 level of performance to be achieved by a program
21 activity;

22 “(2) express such goals in an objective, quan-
23 tifiable, and measurable form unless authorized to
24 be in an alternative form under subsection (b);

25 “(3) briefly describe the operational processes,
26 skills, and technology, and the human, capital, infor-

1 mation, or other resources required to meet the per-
2 formance goals;

3 “(4) establish performance indicators to be used
4 in measuring or assessing the relevant outputs, serv-
5 ice levels, and outcomes of each program activity;

6 “(5) provide a basis for comparing actual pro-
7 gram results with the established performance goals;
8 and

9 “(6) describe the means to be used to verify
10 and validate measured values.

11 “(b) If an agency, in consultation with the Director
12 of the Office of Management and Budget, determines that
13 it is not feasible to express the performance goals for a
14 particular program activity in an objective, quantifiable,
15 and measurable form, the Director of the Office of Man-
16 agement and Budget may authorize an alternative form.
17 Such alternative form shall—

18 “(1) include separate descriptive statements
19 of—

20 “(A) a minimally effective program, or

21 “(B) such alternative as authorized by the
22 Director of the Office of Management and
23 Budget,

24 with sufficient precision and in such terms that
25 would allow for an accurate, independent determina-

1 tion of whether the program activity's performance
2 meets the criteria of the description; or

3 “(2) state why it is infeasible or impractical to
4 express a performance goal in any form for the pro-
5 gram activity.

6 “(c) For the purpose of complying with this section,
7 an agency may aggregate or consolidate program activi-
8 ties, except that any aggregation or consolidation may not
9 omit or minimize the significance of any program activity
10 constituting a major function or operation for the agency.

11 “(d) An agency may submit with its annual perform-
12 ance plan an appendix covering any portion of the plan
13 that—

14 “(1) is specifically authorized under criteria es-
15 tablished by an Executive order to be kept secret in
16 the interest of national defense or foreign policy; and

17 “(2) is properly classified pursuant to such Ex-
18 ecutive order.

19 “(e) The functions and activities of this section shall
20 be considered to be inherently governmental functions.
21 The drafting of performance plans under this section shall
22 be performed only by Federal employees.

23 “(f) For purposes of this section, sections 1116
24 through 1119, and sections 9704 and 9705—

1 “(1) the term ‘agency’ has the meaning that
2 term has in section 306(f) of title 5;

3 “(2) the term ‘outcome measure’ means an as-
4 sessment of the results of a program activity com-
5 pared to its intended purpose;

6 “(3) the term ‘output measure’ means the tab-
7 ulation, calculation, or recording of activity or effort,
8 expressed in a quantitative or qualitative manner;

9 “(4) the term ‘performance goal’ means a tar-
10 get level of performance expressed as a tangible,
11 measurable objective, against which actual achieve-
12 ment can be compared, including a goal expressed as
13 a quantitative standard, value, or rate;

14 “(5) the term ‘performance indicator’ means a
15 particular value or characteristic used to measure
16 output or outcome;

17 “(6) the term ‘program activity’ means a spe-
18 cific activity or project as listed in the program and
19 financing schedules of the annual budget of the
20 United States Government; and

21 “(7) the term ‘program evaluation’ means an
22 assessment, through objective measurement and sys-
23 tematic analysis, of the manner and extent to which
24 Federal programs achieve intended objectives.

1 **“§ 1116. Program performance reports**

2 “(a) No later than March 31, 2000, and no later than
3 March 31 of each year thereafter, the head of each agency
4 shall prepare and submit to the President and the Con-
5 gress, a report on program performance for the previous
6 fiscal year.

7 “(b)(1) Each report on program performance shall
8 set forth the performance indicators established in the
9 agency performance plan under section 1115, along with
10 the actual program performance achieved compared with
11 the performance goals expressed in the plan for that fiscal
12 year.

13 “(2) If performance goals are specified in an alter-
14 native form pursuant to section 1115(b), the results of
15 such program shall be described in relation to such speci-
16 fications.

17 “(c) The report on program performance for fiscal
18 year 2000 shall include actual results for the preceding
19 fiscal year, the report for fiscal year 2001 shall include
20 actual results for the two preceding fiscal years, and the
21 report for fiscal year 2002 and all subsequent reports shall
22 include actual results for the three preceding fiscal years.

23 “(d) Each report on program performance shall—

24 “(1) review the success of achieving the per-
25 formance goals of the fiscal year covered by the re-
26 port;

1 “(2) evaluate the performance plan for the cur-
2 rent fiscal year relative to the performance achieved
3 toward the performance goals in each fiscal year
4 covered by the report;

5 “(3) explain and describe, where a performance
6 goal has not been met—

7 “(A) why the goal was not met;

8 “(B) those plans and schedules for achiev-
9 ing the established performance goal; and

10 “(C) if the performance goal is impractical
11 or infeasible, why that is the case and what ac-
12 tion is recommended;

13 “(4) describe the use and assess the effective-
14 ness in achieving performance goals of any waiver
15 under section 9704 of this title; and

16 “(5) include the summary findings of those pro-
17 gram evaluations completed during each fiscal year
18 covered by the report.

19 “(e) An agency head may include all program per-
20 formance information required annually under this section
21 in an annual financial statement required under section
22 3515 if any such statement is submitted to the Congress
23 no later than March 31 of the applicable fiscal year.

24 “(f) The functions and activities of this section shall
25 be considered to be inherently governmental functions.

1 The drafting of reports on program performance under
2 this section shall be performed only by Federal employees.

3 “(g) For definitions applicable under this section, see
4 section 1115.

5 **“§ 1117. Exemptions**

6 “(a) The Director of the Office of Management and
7 Budget may exempt from the requirements of sections
8 1115 and 1116 of this title and section 306 of title 5,
9 any agency with annual outlays of \$20,000,000 or less.

10 “(b) For definitions applicable under this section, see
11 section 1115.”.

12 **SEC. 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.**

13 Chapter 97 of title 31, United States Code, is amend-
14 ed by adding after section 9703 the following new section:

15 **“§ 9704. Managerial accountability and flexibility**

16 “(a) Beginning with fiscal year 1999, the perform-
17 ance plans required under section 1115 may include pro-
18 posals to waive administrative procedural requirements
19 and controls (other than requirements under section 553
20 of title 5), including specification of personnel staffing lev-
21 els, limitations on compensation or remuneration, and pro-
22 hibitions or restrictions on funding transfers among budg-
23 et object classification 20 and subclassifications 11, 12,
24 31, and 32 of each annual budget submitted under section
25 1105, in return for specific individual or organization ac-

1 countability to achieve a performance goal. In preparing
2 and submitting the performance plan under section
3 1105(a)(29), the Director of the Office of Management
4 and Budget shall review and may approve any proposed
5 waivers. A waiver shall take effect at the beginning of the
6 fiscal year for which the waiver is approved.

7 “(b) Any such proposal under subsection (a) shall de-
8 scribe the anticipated effects on performance resulting
9 from greater managerial or organizational flexibility, dis-
10 cretion, and authority, and shall quantify the expected im-
11 provements in performance resulting from any waiver. The
12 expected improvements shall be compared to current ac-
13 tual performance, and to the projected level of perform-
14 ance that would be achieved independent of any waiver.

15 “(c) Any proposal waiving limitations on compensa-
16 tion or remuneration shall precisely express the monetary
17 change in compensation or remuneration amounts, such
18 as bonuses or awards, that shall result from meeting, ex-
19 ceeding, or failing to meet performance goals.

20 “(d) Any proposed waiver of procedural requirements
21 or controls imposed by an agency (other than the propos-
22 ing agency or the Office of Management and Budget) may
23 not be included in a performance plan unless it is endorsed
24 by the agency that established the requirement, and any

1 such endorsement shall be included in the proposing agen-
2 cy's performance plan.

3 “(e) A waiver shall be in effect for one or two years,
4 as specified by the Director of the Office of Management
5 and Budget in approving the waiver. A waiver may be re-
6 newed for a subsequent year. After a waiver has been in
7 effect for three consecutive years, the performance plan
8 prepared under section 1115 may propose that a waiver,
9 other than a waiver of limitations on compensation or re-
10 muneration, be made permanent.

11 “(f) For definitions applicable under this section, see
12 section 1115.”.

13 **SEC. 6. PILOT PROJECTS.**

14 (a) PERFORMANCE PLANS AND REPORTS.—Chapter
15 11 of title 31, United States Code, is amended by adding
16 after section 1117 (as added by section 4 of this Act) the
17 following new section:

18 **“§ 1118. Pilot projects for performance goals**

19 “(a) The Director of the Office of Management and
20 Budget, after consultation with the head of each agency,
21 shall designate not less than ten agencies as pilot projects
22 in performance measurement for fiscal years 1994, 1995,
23 and 1996. The selected agencies shall reflect a representa-
24 tive range of Government functions and capabilities in
25 measuring and reporting program performance.

1 “(b) Pilot projects in the designated agencies shall
2 undertake the preparation of performance plans under
3 section 1115, and program performance reports under sec-
4 tion 1116, other than section 1116(c), for one or more
5 of the major functions and operations of the agency. A
6 strategic plan shall be used when preparing agency per-
7 formance plans during one or more years of the pilot
8 period.

9 “(c) No later than May 1, 1997, the Director of the
10 Office of Management and Budget shall submit a report
11 to the President and the Congress which shall—

12 “(1) assess the benefits, costs, and usefulness
13 of the plans and reports prepared by the pilot agen-
14 cies in meeting the purposes of the Government Per-
15 formance and Results Act of 1993;

16 “(2) identify any significant difficulties experi-
17 enced by the pilot agencies in preparing plans and
18 reports; and

19 “(3) set forth any recommended changes in the
20 requirements of the provisions of Government Per-
21 formance and Results Act of 1993, section 306 of
22 title 5, sections 1105, 1115, 1116, 1117, 1119 and
23 9704 of this title, and this section.

24 “(d) For definitions applicable under this section, see
25 section 1115.”.

1 (b) MANAGERIAL ACCOUNTABILITY AND FLEXIBIL-
2 ITY.—Chapter 97 of title 31, United States Code, is
3 amended by adding after section 9704 (as added by sec-
4 tion 5 of this Act) the following new section:

5 **“§9705. Pilot projects for managerial accountability**
6 **and flexibility**

7 “(a) The Director of the Office of Management and
8 Budget shall designate not less than five agencies as pilot
9 projects in managerial accountability and flexibility for fis-
10 cal years 1995 and 1996. Such agencies shall be selected
11 from those designated as pilot projects under section 1118
12 and shall reflect a representative range of Government
13 functions and capabilities in measuring and reporting pro-
14 gram performance.

15 “(b) Pilot projects in the designated agencies shall
16 include proposed waivers in accordance with section 9704
17 for one or more of the major functions and operations of
18 the agency.

19 “(c) The Director of the Office of Management and
20 Budget shall include in the report to the President and
21 to the Congress required under section 1118(c)—

22 “(1) an assessment of the benefits, costs, and
23 usefulness of increasing managerial and organiza-
24 tional flexibility, discretion, and authority in ex-

1 change for improved performance through a waiver;
2 and

3 “(2) an identification of any significant difficul-
4 ties experienced by the pilot agencies in preparing
5 proposed waivers.

6 “(d) For definitions applicable under this section, see
7 section 1115.”.

8 (c) PERFORMANCE BUDGETING.—Chapter 11 of title
9 31, United State Code, is amended by adding after section
10 1118 (as added by section 6 of this Act) the following new
11 section:

12 **“§ 1119. Pilot projects for performance budgeting**

13 “(a) The Director of the Office of Management and
14 Budget, after consultation with the head of each agency,
15 shall designate not less than five agencies as pilot projects
16 in performance budgeting for fiscal years 1998 and 1999.
17 At least three of the agencies shall be selected from those
18 designated as pilot projects under section 1118, and shall
19 also reflect a representative range of Government func-
20 tions and capabilities in measuring and reporting program
21 performance.

22 “(b) Pilot projects in the designated agencies shall
23 cover the preparation of performance budgets. Such budg-
24 ets shall present, for one or more of the major functions
25 and operations of the agency, the varying levels of per-

1 formance, including outcome-related performance, that
2 would result from different budgeted amounts.

3 “(c) The Director of the Office of Management and
4 Budget shall include, as an alternative budget presen-
5 tation in the budget submitted under section 1105 for fis-
6 cal year 1999, the performance budgets of the designated
7 agencies for this fiscal year.

8 “(d) No later than March 31, 2001, the Director of
9 the Office of Management and Budget shall transmit a
10 report to the President and to the Congress on the per-
11 formance budgeting pilot projects which shall—

12 “(1) assess the feasibility and advisability of in-
13 cluding a performance budget as part of the annual
14 budget submitted under section 1105;

15 “(2) describe any difficulties encountered by the
16 pilot agencies in preparing a performance budget;

17 “(3) recommend whether legislation requiring
18 performance budgets should be proposed and the
19 general provisions of any legislation; and

20 “(4) set forth any recommended changes in the
21 other requirements of the Government Performance
22 and Results Act of 1993, section 306 of title 5, sec-
23 tions 1105, 1115, 1116, 1117, and 9704 of this
24 title, and this section.

1 “(e) For definitions applicable under this section, see
2 section 1115.”.

3 **SEC. 7. CONGRESSIONAL OVERSIGHT AND LEGISLATION.**

4 (a) IN GENERAL.—Nothing in this Act shall be con-
5 strued as limiting the ability of the Congress to establish,
6 amend, suspend, or annul a performance goal. Any such
7 action shall have the effect of superseding that goal in the
8 plan submitted under section 1105(a)(29) of title 31,
9 United States Code, as amended by this Act.

10 (b) GAO REPORT.—No later than June 1, 1997, the
11 Comptroller General of the United States shall report to
12 the Congress on the implementation of this Act, including
13 the prospects for compliance by Federal agencies beyond
14 those participating as pilot projects under sections 1118
15 and 9705 of title 31, United States Code.

16 **SEC. 8. TRAINING.**

17 The Office of Personnel Management shall, in con-
18 sultation with the Director of the Office of Management
19 and Budget and the Comptroller General of the United
20 States, develop a strategic planning and performance
21 measurement training component for its management
22 training program and otherwise provide managers with an
23 orientation on the development and use of strategic plan-
24 ning and program performance measurement.

1 **SEC. 9. RULE OF CONSTRUCTION.**

2 No provision or amendment made by this Act may
3 be construed as—

4 (1) creating any right, privilege, benefit, or en-
5 titlement for any person who is not an officer or em-
6 ployee of the United States acting in such capacity;
7 or

8 (2) superseding any statutory requirement, in-
9 cluding any requirement under section 553 of title 5,
10 United States Code.

11 **SEC. 10. TECHNICAL AND CONFORMING AMENDMENTS.**

12 (a) AMENDMENT TO TITLE 5, UNITED STATES
13 CODE.—The table of sections for chapter 3 of title 5,
14 United States Code, is amended by adding after the item
15 relating to section 305 the following:

“306. Strategic plans.”.

16 (b) AMENDMENTS TO TITLE 31, UNITED STATES
17 CODE.—

18 (1) AMENDMENT TO CHAPTER 11.—The table
19 of sections for chapter 11 of title 31, United States
20 Code, is amended by adding after the item relating
21 to section 1114 the following:

“1115. Performance plans.

“1116. Program performance reports.

“1117. Exemptions.

“1118. Pilot projects for performance goals.

“1119. Pilot projects for performance budgeting.”.

“9705. Pilot projects for managerial accountability and flexibility.”.

Attest: DONNALD K. ANDERSON,
Clerk.

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